

Milton Wilson
Testimony
Invited by Rep. Al Green
Economic Development Panel
A Joint Democratic Forum on the Impact of the Federal Budget on Families
April 11, 2005

Congressman Green, other distinguished Members of Congress, and Members of our State Legislature, thank you for inviting me today to speak on the Community Development Block Grant (CDBG) program.

Like our other panelists this morning, I am concerned about the cuts to a variety of programs that our communities depend on. I am particularly concerned by the President's cuts to critical housing programs. The American people are suffering from an affordable housing crisis. Yet the Bush budget proposes to cut HUD's net budget authority by 12%, almost \$4 billion. More specifically, the President's budget cuts the CDBG program – a program specifically geared towards providing financial assistance for the improvement of housing and economic conditions in low- and moderate- income neighborhoods. Because of the cuts to CDBG, there will be a \$1.16 billion cut in funding to affordable housing.

On February 3, 2005, the President proposed the Strengthening America's Communities Initiative. The President's proposal would eliminate or consolidate 18 federal programs, including CDBG and six other HUD programs, under a new program under the Commerce Department. The initiative would be funded at \$3.71 billion, an almost \$2 billion cut from the \$5.5 billion FY 2005 level. CDBG funding would be reduced by 35 percent. Decimating a program that has assisted over 23 million persons and households, and created or retained more than 78,000 jobs in FY 2004 alone is bad policy.

We are making these cuts when, according to Harvard's Joint Center for Housing Studies, 14 million households spend more than 50% of their incomes on housing and another 17 million households spend between 30% and 50% of their incomes on housing. The Center for Housing Policy similarly found that, over the six-year period ending in 2003, the total number of families paying more than 50% of their incomes on housing rose by 67%. The President's housing budget and the Strengthening America's Communities Initiative will have a devastating effect on those Americans who need the most help.

Thank you for allowing me the time to share my story with you. I would like to urge both the federal and state representatives here today to continue their fight to save housing programs like CDBG. We must ensure that all Americans have the opportunity to live the American dream.